MAY 11, 1964

THE UNIVERSITY OF MICHIGAN
MAY 1964
PERIODICAL READING ROOM

HOW MUCH FERTILIZER THE WORLD WILL NEED

FAO's FERTILIZER PROGRAM

EUROPE AS A MARKET FOR LIVESTOCK PRODUCTS

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
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Including FOREIGN CROPS AND MARKETS

MAY 11, 1964

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Weighing the bean crop on small farm near Ouezzan in Morocco, where farmers are being taught fertilizer use. Two articles in this issue are on fertilizers.

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How Much Fertilizer the World Will Need by 1980

—if its rapidly mounting population is to be adequately fed

DEPOSITED BY THE
UNITED STATES OF AMERICA

By DONALD D. STEWARD
Development and Trade Analysis Division
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Substantial increases in production of food and fiber are essential throughout the world if drastic food shortages are to be avoided in the future. Nearly one-fifth of the world's population — approximately 500 million people—suffers from a lack of sufficient calories, and even more have diets deficient in vitamins, minerals, and proteins.

World population is expected to increase almost 50 percent by 1980. Food production must also increase 50 percent if the present dietary levels are to be maintained. However, in view of serious nutritional deficiencies, considerably larger increases in agricultural production will be necessary if widespread undernourishment and malnutrition are to be eliminated.

People everywhere desire more and better food. As incomes rise in the developing countries, the demand for food will increase. Because of the expected increase of both population and per capita demand for food, world food supplies will need to increase by 70 percent or more by 1980. This would amount to an annual rate of increase in agricultural production of at least 2.7 percent, considerably higher than the 2.0-percent rate of increase experienced in the United States between 1940-1955.

Two courses possible

How can such a rapid increase be achieved? Two general courses of action can be taken—increasing cultivated land, and increasing yields.

In many countries, the possibility of bringing much more land into production is limited because of the scarcity of such land and the high cost and time required to develop or reclaim it. The second alternative, that of increasing production on land already being cropped, generally is a more immediate and less costly means of achieving the necessary increases in food supply.

Extended use of fertilizer, when combined with improved crop varieties and cultural practices, adequate irrigation and drainage, and control of insects and diseases, offers a strategic means by which yields can be rapidly increased. Fertilizer alone is credited with nearly half of the increase in U.S. crop yields during 1940-55.

Use rising but not everywhere

A rapid increase in the consumption of fertilizers has been one of the most significant features of the world's agriculture in recent years. From 13.7 million metric tons in 1950 it rose to 27.7 million tons in 1960.

These fertilizers, however, are not shared equally by all regions of the world. In 1961, only one-tenth of the world's fertilizer was consumed in the less developed areas, in spite of the fact that these areas contain almost half of the world's cultivated land.

While the average consumption in 1960-61 was 271 pounds per acre of cropland in Japan and 34 pounds in the United States, the averages for Brazil, India, and Nigeria were 12.4, 2.0 and 0.14 pounds per acre, respectively. These figures indicate the existing low levels of fertilizer use in the less developed countries and suggest the possible magnitude of increase that might readily be made.

How much increase can be expected in the world demand for fertilizer by 1980?

In the future, as in the past, fertilizer consumption is expected to vary considerably in different regions of the world, which, for convenience, are considered in three groups: (a) The more developed countries—United States, Canada, Western Europe, Japan, and Oceania; (b) Eastern Europe and the USSR, and (c) the developing countries. The more developed countries are technologically advanced in agriculture, Eastern Europe and the USSR are less advanced, and the developing countries are only now introducing modern technology in their agriculture.

Aerial fertilizer spraying, Senegal

Developed countries

During the 1950's, the developed countries increased their agricultural output at an annual rate between 2.0-2.5 percent. This meant a rise in per capita production of 1.0 to 1.5 percent per year. The greater agricultural output made possible improved nutrition and living standards in Western Europe and Japan, and contributed to the abundances that exist in North America.

In view of the current high levels of nutrition in most of the developed countries and the comparatively low rate of increase in population, an average annual increase in fertilizer consumption of only 3.0 percent per year is expected over the next 20 years. It may exceed this in North America and Oceania where the rates of fertilization are moderate, and it may be less than 3.0 percent in Western Europe and Japan where the rates are already rather high.

An annual increase of 3.0 percent would result in the use of 26.9 and 36.1 million tons of fertilizer nutrients in 1970 and 1980, respectively, compared with 20.0 million tons in 1960.

Eastern Europe and the USSR

Agriculture is less technologically advanced in the USSR and East European countries than in the West, but it is in a position to advance rapidly if the governments provide the incentives and the essential inputs of capital and other resources.

In many of these countries, agricultural production is so low that it tends to restrict general economic development and prevent an improvement in nutrition. There are good reasons, therefore, for the recent reevaluation of agricultural policy in the USSR, which has resulted in giving more attention to increasing fertilizer production and consumption.

In the 1950's, Eastern Europe and the USSR increased fertilizer consumption from 2.4 to 5.0 million tons, an average annual increase of 7.7 percent. In view of recently announced plans for expanding fertilizer production, particularly in the USSR, the rate of increase in fertilizer consumption will be considerably higher over the next 10 years. However, as the production targets very likely will not be reached, the average increase in fertilizer consumption may not be more than 12 percent from 1960 to 1970 and will be considerably lower, possibly 5 percent from 1970 to 1980. This would mean the use of 15.5 million tons in 1970 and 25.3 million tons in 1980.

Developing countries

Many of the developing countries are faced with the problem that agricultural production is not increasing rapidly enough to meet the needs of a growing population. In fact, many countries in recent years have had to increase food imports in order to even maintain their existing low levels of nutrition.

The urgency to boost agricultural production in these countries is great, and if they are to be self-sufficient in their food supply, fertilizers must be used in substantial quantities.

While fertilizer consumption in the developing countries increased from 0.9 million tons in 1950 to 2.7 million tons in 1960, levels of fertilizer use continued to be low. In 1960, fertilizer use in the developing countries averaged only 3 pounds of nutrients per acre compared to 15 pounds in Eastern Europe and the USSR, and 45 pounds in the developed countries.

Serious obstacles have restricted more rapid increases in the use of fertilizer, and while many countries continue to face such restrictions, considerable progress is being made in overcoming them. In recent years, more effective development programs have concentrated on carrying out extension and demonstration work, expanding research efforts, and providing sufficient, timely, and low-cost credit. Land reform policies are gradually being put into effect. Also, price-cost relationships are being improved through price supports, subsidies, and market development.

Through such actions, farmers are being educated to modern methods of crop production and, at the same time, are being provided with the economic incentives necessary for increased use of fertilizers and other inputs.

Where local governments are placing greater priority on agriculture in their development plans, larger amounts of capital are being allocated for fertilizer imports and for development of the fertilizer industry. More favorable conditions are being created to attract investment by the chemical and fertilizer industries of the more developed countries.

All things considered, fertilizer consumption in the developing countries is expected to increase at very rapid rates over the next 20 years. During the period from 1960 through 1970 the annual rate of increase in fertilizer consumption is expected to average 15 percent. This would mean an increase in fertilizer consumption from 2.7 million tons in 1960 to 10.9 million tons in 1970. If a 10-percent rate of increase can then be maintained over the following decade, total fertilizer consumption would rise to 28 million tons in 1980. Achieving such an increase would seem to be a formidable undertaking. Nevertheless, it seems both necessary and possible.

World consumption by 1980

World fertilizer consumption may thus reach 53 million tons by 1970 and approach 90 million by 1980. Whether these levels will be attained depends, in final analysis, on the resolution and actions of people and governments throughout the world. If they are attained and if technological practices improve too, the combination would bring about a food situation whereby the world's population, despite its rapid growth, would be better fed than at any period in history.

FERTILIZER CONSUMPTION IN 1960, AND ESTIMATED CONSUMPTION IN 1970 AND 1980, THREE SELECTED AREAS OF THE WORLD

Area	1960 consumption	Compounded rate of increase		Estimated consumption	
		1960-70	1970-80	1970	1980
	Million metric tons[1]	*Percent*	*Percent*	*Million metric tons*[1]	*Million metric tons*[1]
Developed countries[2]	20.0	3.0	3.0	26.9	36.1
Eastern Europe and USSR	5.0	12.0	5.0	15.5	25.3
Developing countries[3]	2.7	15.0	10.0	10.9	28.3
World	27.7	6.8	5.3	53.3	89.7

[1] Of $N + P_2O_5 + K_2O$. [2] Includes United States, Canada, Western Europe, Oceania, and Japan. [3] Includes all countries of Latin America, Near East, Far East, and Africa, except Mainland China and Japan.

Parker, Frank W., Stewart, Donald D., and Peperzak, Paul, *The Expanding World Fertilizer Market.* Paper presented at Twelfth Annual Fertilizer Conference, Fresno, California, January 20, 1964.

Trainees laying out plots by means of steel tape and string during a training course on use of fertilizers, in Lebanon. Many other underdeveloped countries are conducting similar courses under guidance of FAO specialists.

Fertilizer Program Featured in Freedom-from-Hunger Drive

Three years ago the world fertilizer industry pledged financial support of a fertilizer program to be launched in underdeveloped countries by the Food and Agriculture Organization as part of its worldwide Freedom-from-Hunger Campaign. Recognizing that more time is needed to realize the effectiveness of such a program, representatives of the industry meeting in Rome this spring agreed to help finance it for a fourth year.

During the first 3 years of operation the industry contributed nearly $1 million and some 750 tons of fertilizer. In this period more than 26,000 fertilizer demonstrations and trials were conducted in 15 countries of the Near East, North and West Africa, and Latin America. In addition, two pilot schemes for fertilizer credit and marketing have been launched in Ghana and Nigeria, while fertilizer marketing and development studies have been carried out in various countries.

Also under consideration is an enlarged long-term program which would operate in some 20 countries and would include other technological aspects of farming.

Young Turkish farmers working on a corn fertilization demonstration to show how yields can be greatly increased.

Below, farmers in El Salvador prepare field for sowing seed and fertilizer. Right, Moroccan farmers harvest wheat crop on an FAO-sponsored fertilizer demonstration site.

Europe Seen as Bigger Market for U.S. Livestock Products

Assistant Secretary of Agriculture George L. Mehren, in an address before the Western Governors' Conference, in San Francisco, May 5, made the following remarks about the world meat trade:

Today some interesting new patterns in the world meat trade are taking shape. The most significant change is the noticeable slackening in foreign meat shipments to the United States.

We are all familiar with the problems of large amounts of foreign beef and veal coming in during 1963, necessitating special agreements with Australia, New Zealand, and Ireland to cut back their shipments. Our most recent information indicates that this year Australia's exports to us of beef, veal, mutton, and lamb are likely to be reduced by as much as 29 percent. New Zealand's shipments of beef and veal are likely to be down 22 percent. Mexico's exports of feeder cattle to the United States are expected to be substantially lower in 1964. Also, Canada is sending us much less feeder and slaughter cattle—in fact, 70 percent less during January, February, and March. (I might comment here that when the Canadians sold all that wheat to Russia, it put a lot of additional money in circulation and they're keeping this beef at home for their own use.)

Europe's people are prosperous and they have money but they don't have enough home-produced red meat to satisfy the demand. Cattle numbers are down about 1.2 million head, due partly to some bad feed and pasture conditions earlier and partly to increased slaughter to meet the rising demand. Prices of beef and veal have been rising steadily. Last month in Italy the average wholesale price of beef equivalent to our U.S. grade "good" was 58 cents, a 12-percent rise over a year ago. In West Germany, the price was 56 cents, up 20 percent. In the Netherlands, the price was 48.5 cents, 35 percent above a year ago.

We understand that European buyers are actively looking for sources of supply, including the United States. The chances are good that we will be selling the Europeans some beef, especially the lower middle grades, and this may go on for some time. I am not going to get out on a limb and predict how much we can sell—but whatever we sell will certainly help to strengthen prices.

One of our big expectations in doing business with Western Europe has to do with the rising consumer demand for animal products. We know we will continue to have a big market for byproducts, including tallow, lard, caseins, and hides and skins. We hope to sell even more variety meats and red meats than we do now. Besides, we hope to supply increasing amounts of feed grains which are the raw materials for Europe's own expanding animal industry.

The truth is, we have such a highly efficient agriculture that Europe, as an industrial area, will need to think carefully about the effects of passing up our more efficiently produced and lower-priced supplies. Food costs help determine the level of wages; the level of wages helps to determine the cost of a manufactured product; the cost of a manufactured product determines one's ability to sell it competitively in the world market. This is the economic sequence that confronts Europe. It represents an important part of our bargaining strength in the world market place.

This address was delivered by Assistant Secretary of Agriculture John A. Baker for Mr. Mehren, who had left Washington May 4 for an emergency study in Europe.

Marketing Lag Posing Serious Problem to Italian Citrus Trade

Italy's record 1963-64 citrus harvest has created a serious marketing problem which is being felt acutely in Sicily, heart of the country's industry. Italian citrus is facing increasingly tough competition from the fruit produced in Spain, Morocco, Israel, and Turkey for the northern European market, Italy's traditional outlet.

Of the principal export types—oranges, tangerines, and lemons—only exports of lemons have been moving up. Between 1957 and 1962 Italian lemon exports increased 25 percent, while orange exports decreased 21 percent and tangerines 42 percent. Total fresh citrus exports from January to October 1963 amounted to 336,612 metric tons, 9 percent less than the 369,525 tons shipped during the same period of 1962.

Although Italy still supplies most of the EEC area's lemons, it has not been able to capture a larger share of the area's orange and tangerine market. Common Market countries normally import 82 percent of their citrus from Spain and North Africa, 7 percent from Israel, and the remaining 11 percent from Italy and other countries. Italy, as a member state of the EEC, naturally enjoys a tariff advantage over other citrus producing areas. However, many European consumers have shown a preference for Spanish oranges, which are carefully washed, graded, sized, and wrapped for export—and thus far Europeans have been willing to pay a slightly higher price for them.

Some of Italy's present difficulties arise from higher production costs because of labor shortages, lack of mechanization, an inadequate and out-of-date marketing system, high railway rates, and scarcity of railway cars. Also, older citrus varieties being produced in Italy are no longer meeting European consumer preferences. Italian citrus farmers are planting new fruit varieties designed to cater to the European taste; but they would benefit more by improved marketing and mechanization.

Representatives of the Sicilian Regional Government and local trade associations recently met with the Ministries of Foreign Trade, Treasury, and Transportation to urge the immediate taking of steps to solve these various problems. The Minister of Foreign Trade assured them that he would personally supervise a promotion program in northern Europe, particularly in Germany. Better credit facilities and a larger allotment of railway cars were assured by the Treasury and Transportation Ministries.

—ROBERT H. WUHRMAN
Assistant U.S. Agricultural Attaché, Rome

Synthetic Vanilla Sales Mount As New Ruling Fails To Stimulate Trade in Natural Product

Last fall when the U.S. Food and Drug Administration ruled that all vanilla-flavored products must specify on their labels whether they contain natural or synthetic vanilla, the vanilla-producing countries of the world saw in this a spur to their lagging trade.

This did not occur, however. Even though synthetic vanilla does not reproduce the true flavor of the natural product because of the lack of oleoresins, Americans went right on eating their synthetically flavored chocolate bars and ice cream. Meanwhile, U.S. vanilla imports continued to remain around 1.3 million pounds a year.

The United States is the world's largest importer of vanilla beans, and its imports should have mounted, with the tremendous increase in this country's population and the still larger increase in the consumption of candy, ice cream, and other confectionery items. Two things account for their failure to do so: first, the wide variation in vanilla-bean prices over the years together with erratic supplies, and second, the synthetic vanilla flavorings, which are cheaper and more stable in supply.

Use of the synthetics has now soared to 10 times that of the natural extract. Vanillin, the most widely used, is produced from the waste sulfite liquor of paper mills, from coal tar extracts, or from eugenol obtained from clove oil. The United States produces most of the vanillin it needs—principally lignin vanillin from the pulp paper industry—but some is imported, mostly from Canada.

Prices of vanilla beans have fluctuated between $4 and $16 a pound during the last decade, whereas lignin vanillin prices have remained near $3 a pound. And besides its lower initial cost, vanillin is claimed to have the strength equivalent to 12 times that of the natural vanilla extract. Still, the flavor is not quite true, so there is a continuing demand for the natural vanilla product.

Currently, inventories of vanilla beans are high in the Malagasy Republic, which produces over half the world's output. Supplies are estimated at 2.2 million pounds — enough to meet the total world requirements for 1 year. Prices have dropped to $6 a pound, $2 less than a year earlier.

Vanilla bean exports from Mexico, formerly a large supplier to the United States, have fallen off sharply. In 1962 they amounted to 85,700 pounds and in 1963 to 48,500, compared with the 1957-61 average of 264,300 pounds. The "Mexican" bean at $10 to $11 a pound was priced out of the market by the cheaper but comparable "Bourbon" variety grown in Africa. Part of the sales lost by Mexico have been captured by Tahiti and Indonesia, but the Tahitian variety has a strong heliotrope odor, making it more suitable for perfume and pharmaceuticals than for confectionary products.

Australia's Trade Is Booming With Exports at Alltime High

By the end of June, Australia will have completed its greatest trading year on record, largely owing to gains in agricultural exports, especially wool, wheat, and sugar.

Through March, exports by that country had surpassed in value those for all of 1962-63—the previous record year. For the entire year, they could exceed the equivalent of $2.9 billion. This is some $672 million more than those in the preceding year. The major farm commodities account for over 80 percent of Australia's exports.

Australia's imports are also expected to rise, by $224 million to approximately $2.7 billion.

Wool—largest revenue earner—brought in the equivalent of $729 million in the first 8 months of 1963-64, up some 32 percent from the same period of 1962-63. The gain in wool purchases was brought about almost entirely by the higher wool prices and the sharp increase in buying by Japan, Britain, Communist China, and the USSR. Purchases by the United States, however, were off 28 percent to a volume of 58.7 million pounds.

Shipments of manufactured and semimanufactured goods, though still relatively small, were also up substantially. They accounted for about 14 percent of the export increase.

U.K. To Require More Wheat But Not More Coarse Grains

Britain's Ministry of Agriculture recently released a statistical report on its cereals situation at the end of February 1964 compared with its position at the end of February 1963. The highlights are as follows:

Total requirements of wheat have been raised by a further 150,000 tons owing to the continued increase in purchases of feed wheat. This brings total requirements for wheat and wheat flour, in terms of wheat, for 1963-64 to 7,650,000 long tons.

Purchases of imported coarse grains are put at 100,000 tons less, and allowing for an addition to stock of some 50,000 tons, coarse grain requirements for consumption in the crop year are estimated to be down 150,000 tons.

Unsold stocks on farms in England and Wales at the end of February 1964 amounted to 1,010,000 tons of wheat and 1,800,000 tons of coarse grains. While no difficulty is anticipated in disposing of the stocks of coarse grains, the clearance of over 1 million tons of wheat from farms before the end of the cereal year on June 30, will require, after taking account of the disposals for flour milling, a rate of takeoff for animal feeding much greater than achieved during December 1963-February 1964 (50,000 tons per month), and possibly greater than that achieved during March-June 1963 (140,000 tons) when offtake was relatively high.

Cumulative imports of wheat and flour, in terms of wheat equivalent, to the end of February were about 375,000 tons higher than in the same period last year, and forward purchases of wheat for arrival March-June are about 450,000 tons higher. Contrary to expectations, arrivals and purchases of wheat, particularly feeding wheat, continue at fairly substantial levels. Consequently, total imports of wheat and flour for 1963-64 are now expected to reach 4.6 million tons.

Arrivals and commitments of coarse grains up to the end of February amounted to about 3.6 million tons compared with about 3.7 million tons at the same period last year.

In issuing this report the Ministry cautioned that some of the forecasts may be liable to revision as more up-to-date information becomes available.

Report from Ottawa

Canadian Poultry Industry Forms Export Group To Seek Worldwide Markets and Spread Risks

Canadian Quality Poultry Exports, Ltd., a company sponsored by the Ontario Poultry Processors Association for the purpose of voluntary "grouping for export" of poultry products, received a federal charter in September 1963. Patterned after the Fruit and Vegetable Export Council (FAVPEP), it is designed to foster and maintain a continuing export market, to spread the risk involved among all participating poultry processing firms across Canada, and to lower costs through combined purchase of such items as bags and boxes. It intends to act as export agent for members and as a holding company, initially to assemble products, effect shipment, and collect accounts. Products are to be sold under a common label.

A similar operation to supply the domestic market would be in violation of the Combines Act, but export activity was facilitated by amendments to the Act a few years ago as well as by changes in federal poultry laws to permit poultry meat exports without individual grade markings.

Exploratory trade mission

In order to examine the export market potential in Europe and to test the practicability of the new joint export venture, a four-member trade mission to Great Britain, West Germany, and Switzerland was organized last September.

Not only did the mission return to Canada with answers to pertinent questions but also with a trial order for 120,000 pounds of fresh frozen turkey meat. The company was forced to turn down a larger order, for 800,000 pounds of turkey from a firm in Dusseldorf, because it could not yet handle business of that magnitude.

Everett Biggs, deputy minister of the Ontario Department of Agriculture, said recently that "...significant gains are being made in West Germany. Experimental shipments to West Germany of fresh frozen turkey totaling 120,000 pounds last November indicate that it is a promising market for both turkey and chicken."

The trade mission report put particular emphasis on markets in West Germany, Switzerland, and Britain.

Three top poultry markets

West Germany will provide Canadian suppliers primarily with a market for turkeys mainly of the broiler type and size. There is also an increasing demand for such poultry parts as backs and necks, wings and livers, of both chicken and turkey, the report said.

The best prospect for sale of poultry products to Switzerland is mainly in turkeys. The current volume in turkeys is not large but it is expanding, and Canadian suppliers are advised to quote early in 1964 for the Christmas trade. Prospects for the sale of Canadian commmercial-pack heavy chicken will develop in the new year, should Canadian prices become more competitive with those of the United States, according to the trade mission.

A substantial market exists in Britain for Canadian sales of cooked, canned, or frozen poultry meat (in bags or blocks), either turkey or fowl, for sale to the catering trade, institutions, hotels and restaurants, manufacturing firms (for further processing into pastes and spreads), and to the retail trade. There is reportedly a demand for chicken skins and other poultry parts by soup manufacturers, processors, and caterers.

"Canadian prices competitive"

The mission said Canadian suppliers are able in Germany to quote turkey prices not out of line with those for the American product, for which a market was developed by the promotional activities of U.S. poultry interests.

The United Kingdom prohibits the entry of fresh poultry meat from Canada, the United States, and a number of other countries because of its control program for Newcastle disease, but the mission reported a lively interest in all types of cooked poultry.

One problem was said to be that only five or six Canadian firms are in a position to supply these markets and most of them would probably have to expand their facilities to do it. Few Canadian companies evidently think the effort is worth it.

A poultry specialist in the Agriculture and Fisheries Branch of the Trade and Commerce Department says the export group has made no more sales since the trial shipment to West Germany, but "will be a big exporter in the future."

A Department of Agriculture source predicted also that in coming months Canada will be producing chickens at a lower cost and will be more competitive in the broiler field.

Whether or not these officials are overoptimistic, we cannot judge.

— JOHN C. MCDONALD
Assistant U.S. Agricultural Attaché

Japanese Wheat Chemists To Study U.S. Processing

Japanese cereal chemists will come to the United States this week for their first on-the-spot inspection of modern processing techniques used by the U.S. wheat industry.

The team members include two representatives of the Japanese Institute of Baking, three milling industry chemists, and the director of the government's grain laboratory.

The chemists will confer first with wheat exporters in New York City and USDA officials in Washington, followed by an inspection tour of U.S. wheat research centers, wheat product factories, bakeries, flour mills, and the U.S. wheat-growing belt in the Middle and Far West.

Two key areas of U.S. wheat research will be of particular interest to the Japanese: continuous process baking, which Japan used for the first time in 1963 (*Foreign Agriculture*, June 24); and the "air classification" method of separating flour according to specific end-uses. This technique, developed in the United States 9 years ago, uses air to separate a far wider range of protein particles than is possible under usual methods.

U.S. Rice Promotion Moved Into New Countries In 1963 As Sales Increased to Europe, Africa

The continuing success of U.S. rice market development programs in seven countries—five of which upped rice purchases in 1963—has prompted the U.S. rice industry to widen its sphere of operations to the Netherlands and West Germany.

U.S. rice sales to all program countries in 1963 totaled 193,000 tons (about $28 million), a 10-percent jump from the previous year.

Sponsored by the U.S. Rice Export Development Association (REDA) and FAS, 1963 market development was carried on in the United Kingdom, South Africa, Belgium, Switzerland, and Scandinavia, as well as in the two new countries.

The Rice Association's highly organized set-up for overseas promotion includes seven country offices, each headed by a director. The main office was moved last September to a European headquarters in Zurich, Switzerland from Washington, D.C.—REDA's headquarters since 1960 when market development got underway.

In 1963 the U.S. rice emblem which was used for the first time proved one of the most effective tools to promote U.S. rice. The emblem—which identifies retail packages as containing American rice—assures the consumer of a quality product and helps the U.S. industry capitalize on increased rice consumption which may result from its promotional efforts.

In each country U.S. rice promotion took a slightly different approach.

Sales assistance in S. Africa

In South Africa—which in 1963 moved from second to first place as a market for U.S. rice—REDA concentrated on assisting wholesalers, salesmen, and demonstrators to promote rice effectively. Manufacturers have been especially receptive to the U.S. rice emblem. Although South Africa increased its U.S. rice purchases by 30 percent in 1963 to 51,000 tons, REDA predicts even higher imports this year as the promotion emphasis shifts from European consumers to the Africans.

In West Germany—second best customer—the principal objective has been, since the beginning of the program in mid-1963, to improve the consumer image of U.S. rice. The United States has about half of this market, supplying 50,000 tons last year, but Italian rice continues to offer stiff competition. Providing a framework for future activities was the completion of a market survey.

In the United Kingdom—third-ranking market—consumer education continued to chip away at the long-held belief that rice is primarily an ingredient in puddings, through rice cookery taught in conjunction with schools, and rice demonstrations.

Results of British program

Since 1960, U.K. rice consumption has nearly doubled and the U.S. share of the British market has climbed 35 percent to 45,000 tons in 1963.

U.S. promotion in the other big markets (in order of their imports of U.S. rice) emphasized: the Netherlands—demonstrations to consumer organizations; Switzerland—recipe handouts, press and magazine advertising; Scandinavia—major food exhibitions, such as the "Danish Rice Festival;" Belgium—demonstrations and exhibitions geared to getting maximum press coverage.

U.K. Lifts Its Import Quota On Frozen Orange Concentrate

The United Kingdom's recent removal of quota restrictions on imports of frozen orange concentrate from the dollar area opens the door to the development of a new market for Florida citrus processors, principal source of this product in the United States.

Still in force, however are discriminatory quota restrictions on imports from the dollar area of single strength, hot pack, and preserved concentrated orange juice, and all types of grapefruit juice and sections. U.S. exporters are blocked by such quotas from supplying the huge potential market for hot pack and preserved concentrates.

Any promotion of U.S. exports of frozen orange concentrate will start pretty much from scratch since the product is virtually unknown in the United Kingdom. Current British tastes run to squash (chemically preserved fruit base drinks diluted before use) and comminuted juices (made from liquidized whole fruit).

The United Kingdom's removal of quota restrictions on the frozen orange concentrate leaves France and Italy the only European countries where such quotas are still in effect against dollar area suppliers.

Japanese Team Winds Up U.S. Feed Grains Inspection Trip

In Washington for talks with USDA officials, Toshio Katoh, an executive of Nippon Nohsan Kogyo Co., Ltd., chats with David L. Hume, Assistant FAS Administrator for Export Programs (center), and Clarence D. Palmby, U.S. Feed Grains Council Executive Director. Mr. Katoh is chief of a 10-man group of Japanese feed industry leaders just completing a month-long U.S. tour sponsored by the Council to study grain sorghums, dehydrated alfalfa, feather meal processing facilities, and feed additives.

Australian Meat Industry Act Approved

The Meat Industry Act was approved by the Australian Parliament on April 23. This legislation changes the membership of the Australian Meat Board and provides for a levy on slaughter to be used for meat promotion at home and abroad.

The new legislation will affect the U.S. meat trade indirectly and perhaps directly. Australia is actively promoting meat sales in world markets and spends more time and money on foreign promotion than any other country except possibly New Zealand. Australia is planning to emphasize meat exports to Europe and other new markets and thus decrease its dependence on the U.S. market.

Industry sources have estimated that the levy, to be borne by livestock producers, will yield from $3.3 million to $4.4 million annually. The slaughter tax will be derived from cattle, sheep, and lambs. In view of protests from hog producers, who have only a small stake in the export market, there will be no hog slaughter levies.

Funds derived from the tax can be used for advertising and promotion or to defray some marketing costs in shipping meat to new markets. The rate of levy will be fixed annually on the recommendations of the Australian Meat Board following consultation with producer groups.

The new Meat Board will consist of nine members—a chairman, five livestock producers, two meat exporters, and a government representative.

Belgium Offers Incentives for Beef and Cattle Imports

The Belgian Government is encouraging beef and cattle imports from non-EEC countries through a system of payments offsetting or rebating customs duties on imports of cattle and beef. Purpose of this is to slow rising prices and make more beef available to consumers.

The State Buying and Selling Agency for agricultural products (OCRA) will make payments equivalent to 1.8 U.S. cents per pound, liveweight, on cattle from EEC countries and of 2.7 cents on cattle from suppliers outside the Community. This will narrow the gap somewhat between the 5.4-percent ad valorem duty on cattle imports from the EEC and the 11.1-percent one on imports from other countries.

For beef, the payments will be the equivalent of 2.3 U.S. cents per pound on imports from the EEC and 4.5 cents on those from other countries. Customs duties on EEC beef are 7.2 percent, against 14.4 percent for beef from outside sources.

This action follows an earlier move by the Belgian Government canceling the license tax on cattle and beef from nonmember countries. Minimum import prices were put into effect to compensate for the protection Belgian producers lost by this cancellation.

Cattle prices in Brussels have been rising since last fall, recently reaching the equivalent of 30.7 cents per pound, liveweight (55-percent dressed yield). This is well above the minimum prices of 26 cents per pound on imports from EEC countries and of 27.6 on those from other countries. Main reasons for this increase are the shortage of meat supplies in Belgium and most other West European nations and the seasonal rise in prices.

Irish Bacon Commission Takes Over Exports

Since April 1 the Pig and Bacon Commission has assumed responsibility for all sales of Irish bacon in foreign markets. The Commission has also reached agreement with slaughterers to take over foreign sales of other pork.

Britain will continue to be the largest market for bacon and pork. Ireland has no other major market for bacon but has been exporting fresh and frozen pork to Norway, France, Switzerland, the Netherlands, and some East European countries. Under the recent British bacon quota system, Ireland received a fairly generous minimum allocation of 27,000 tons a year. Irish sales to that market in 1962 and 1963 were about 26,000 tons.

An advertising agency has been hired in Britain and will launch an extensive publicity campaign.

The Commission has arranged for the transport of meat from 60 curing factories to Britain. It has also reduced the number of agents selling Irish bacon to Britain from 38 to 16. The Commission will maintain standards for inspection and preparation of products and is considering plans to sell prepackaged bacon in Britain.

All Irish bacon exported to Britain and other countries carries a generous subsidy. A recent rise in price support levels for slaughter hogs is expected to increase the hog population—which at the beginning of 1964 was down slightly—and thereby increase future export supplies.

New Zealand Meat Shipments to the United States

Six ships are scheduled to leave New Zealand during May with 23,184,000 pounds of meat for the United States—9,632,000 for the West Coast and 13,552,000 for the East Coast. These vessels usually reach the United States 20 to 30 days after sailing.

Ship	Sailing date	Destination	Quantity
			Pounds
Mariposa	May 1	West Coast	560,000
Saracen	21	do.	4,032,000
Monterey	22	do.	560,000
Knight Templar	23	do.	4,480,000
Middlesex	29	East Coast	784,000
Persic	30	do.	12,768,000

Australian Production of Canned Fruits

The 1964 Australian apricot pack is estimated at 400,000 cases (24 No. 2½ cans)—half as much as the 1963 pack. Canned peach production, estimated at 2.9 million cases, is down 12 percent from the record 1963 pack of 3.3 million. The pear pack, however, is set at a record 3.1 million cases, compared with 2.7 million in 1963 and the previous record of 3.0 million in 1962.

Compared with the previous season, exports of pears are expected to be higher; those of peaches, to be maintained at about last year's levels by working down the heavy inventory; and those of apricots, to decline. As a result of the smaller apricot and peach packs, the large

carryout stocks of these items should be almost cleared out by the end of 1964.

Minimum 1964 prices announced by the Australian Canned Fruits Board for exports to the United Kingdom are higher for all categories than in 1963. Prices per dozen No. 2½ cans, c.i.f. U.K. port, are up 14 U.S. cents for apricot halves, 21 cents for clingstone peach halves and slices, 7 cents for freestone peach halves and slices, and 7 cents for pear halves and quarters.

Venezuela Lowers Duty on Seed Potatoes

Recent changes in Venezuela's tariff regulations encourage imports of seed potatoes.

The Official Gazette of February 7, 1964, transferred seed potatoes to tariff No. 202.05.00 and all other potatoes to 054.01.00. All other potatoes continue at a duty rate of Bs. 0.18 per kilo, but the duty on seed potatoes is reduced to Bs. 0.10 per kilo. Also, seed potatoes will receive a preferential exchange rate of Bs. 3.35 per U.S. dollar rather than the current free market rate of Bs. 4.50 to the dollar.

In practice the farmer will buy dollars at Bs. 4.50 and can submit a request after importing the potatoes for a refund of Bs. 1.15 for each dollar spent. It requires several months to collect the refund. All seed potato imports are now made through commercial channels, usually by a producer cooperative.

EEC Tariff Quota to West Germany for Prunes

The European Commission has granted West Germany a tariff quota of 6,000 metric tons of prunes from non-EEC countries at 7.7 percent duty. The current West German external duty is 10.4 percent. However, the quota is contingent upon West Germany's applying a maximum duty of 2.1 percent on imports of prunes from EEC countries. The West German internal duty is 4.8 percent.

U.K. Raises Duty on Tobacco

On April 15, the U.K. Government raised the customs duty on all kinds of unmanufactured tobacco by the equivalent of 91 U.S. cents per pound. On unmanufactured tobacco, containing 10 percent or more moisture, imported from non-Commonwealth countries (including the United States), the new rate is $10.83 per pound, compared with the previous rate of $9.92.

The new customs duty on unmanufactured tobacco from Commonwealth countries (such as Southern Rhodesia, India, and Canada) is $10.61½ per pound. This continues to provide the margin of duty preference—21½ cents per pound—that has been in effect for many years.

Belgian Cigarette Output Increases

Cigarette output in Belgium in 1963 totaled 13,465 million pieces—up 9.3 percent from the 12,322 million produced in 1962. Output of cigars was up a little, but that of cigarillos was somewhat lower than in the previous year. Output of smoking tobacco, at 16.5 million pounds, was down 5 percent from 1962's 17.4 million.

Total leaf usings by Belgian manufacturers rose from 62.1 million pounds in 1962 to 64.4 million last year. Cigarettes accounted for 55 percent of total usings in 1963, compared with 54 percent in 1962.

Cigarette sales, at 12.3 billion pieces in 1963, were up nearly 4 percent from 1962. For cigars, however, sales were down 5 percent; for cigarillos, 7 percent; and for smoking mixtures, 6 percent.

Argentina's Tobacco Exports at Record High

Argentina's exports of unmanufactured tobacco in 1963 at 29.5 million pounds, set a record—21 percent larger than the previous one of 24.3 million in 1962.

Principal foreign markets for Argentine leaf in 1963, in order of importance, were France, 16 million pounds; Italy, 6.3 million; Germany (West and East), 3.9 million; and the Netherlands, 1.9 million.

Average export values per pound to major destinations, in terms of U.S. equivalents, were as follows: France, 19.5 cents; Italy, 20.8; Germany, 29.7; and the Netherlands, 17.6 cents.

ARGENTINA'S EXPORTS OF UNMANUFACTURED TOBACCO, 1961-63

Destination	1961	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
France	2,653	11,543	16,042
Italy	—	2,463	6,331
Germany [1]	1,249	4,533	3,895
Netherlands	644	2,815	1,938
Belgium	1,454	1,127	844
Switzerland	405	878	344
United States	41	525	17
Others	532	438	58
Total	6,978	24,322	29,469

[1] Largely West Germany.

Rhodesian Exports of Dark-Fired Tobacco

Exports of dark-fired tobaccos from the former Federation of Rhodesia and Nyasaland during 1963 totaled 20.9 million pounds—slightly more than the 18.9 million shipped abroad in 1962. Larger exports to the United Kingdom, the Netherlands, France, and the Congo (Leopoldville) accounted for most of the increase and more than offset smaller shipments to the Canary Islands, Tunisia, Belgium, and Senegal.

EXPORTS OF DARK-FIRED TOBACCO FROM THE FEDERATION OF RHODESIA AND NYASALAND, 1961-63

Country of destination	1961	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United Kingdom	4,623	5,133	6,077
Netherlands	2,491	1,254	2,576
Sierra Leone	1,363	1,573	1,557
Canary Islands	1,611	3,067	1,475
Congo (Leopoldville)	1,055	743	1,198
France	—	172	1,108
Liberia	1,168	1,086	1,079
Sweden	242	496	582
Switzerland	127	148	510
Cameroon	419	189	419
Tunisia	168	722	363
Congo (Brazzaville)	—	10	281
Gambia	240	157	263
Germany, West	190	156	263
Gabon	[1]	219	190
Belgium	431	564	168
Senegal	[1]	209	43
Others	3,808	3,018	2,795
Total	17,936	18,916	20,947

[1] Not shown separately; if any, included in others.

Shipments to the United Kingdom, the principal export market, last year totaled 6.1 million pounds, compared

with 5.1 million in 1962. Exports to the Netherlands rose to 2.6 million pounds from 1.3 million for the previous year and those to France climbed to 1.1 million pounds, from only 172,000. However, exports to the Canary Islands dropped—to 1.5 million pounds from 3.1 million—as did those to Tunisia, Gabon, Belgium, Senegal, Denmark, and Mozambique.

Average export prices per pound for dark-fired exports to major destinations in 1963 with comparisons for 1962 in parentheses, in terms of U.S. equivalents, were the United Kingdom, 43.1 cents (46.5); the Netherlands, 26.5 (28.0); Sierra Leone, 43.1 (44.3); the Canary Islands, 28.7 (28.8); the Congo (Leopoldville), 31.3 (30.6); France, 32.6 (35.0); Liberia, 44.9 (45.4); Sweden, 11.1 (10.3); Switzerland, 32.6 (37.8); West Germany, 30.0 (29.9); and Belgium, 35.1 (34.7). The average export price of all shipments was equivalent to 35.6 U.S. cents per pound compared with 37.3 in 1962 and 31.6 in 1961.

France Increases Payment for Denaturing Wheat

To encourage the use of wheat for feed, France on April 19 increased the payment for denaturing from 45 U.S. cents per bushel to 58 cents. (Denaturing usually involves discoloring the wheat so that it will not be used as food.)

Anticipating a shortage of millable wheat, the government last fall had reduced the rate to 45 cents to discourage denaturing. This shortage, however, did not materialize; in fact, the grain cooperatives have had trouble in disposing of wheat.

Thailand's Rice Exports at High Level

Rice exports from Thailand during March, at 149,570 metric tons, brought the total during the first quarter of 1964 to 431,805 tons compared with 339,064 in the corresponding months of 1963.

The 1964 export goal at the first of the year was 1.4 million tons of milled rice. Trade officials are now predicting that exports may reach 1.6 million tons. This is based on the export rate as of mid-April and the availability of exportable supplies. There have been 2 continuous years of bumper crops and sizable stocks were carried over into 1964.

Because of demand for private trade exports, the April outlook is for a gradual rise in the prices of good-quality milled rice and paddy. For brokens, prices will remain steady to weak depending on supply and new-crop quality, which is reported poor.

Exports in 1963 reached 1,378,700 metric tons, up 7 percent over 1962. This figure is for the Port of Bangkok only and does not include exports to Laos. When the volume to Laos is included, the total will exceed 1.4 million tons.

Shipments to all regions except Asia dropped sharply in 1963, and it was government-to-government sales that kept Asia's takings at a high level.

The reduction in rice exports to the Near East and Europe has been of concern to the Thai Government. Trade missions were sent to these areas in 1963 to regain the markets there. Thailand is interested especially in the sales of long-grain rice to the Common Market.

Indonesia hopes to obtain up to 550,000 metric tons of Thai rice in 1964. However, that country lacks hard cash and Thailand is not able to extend credit. Also, the Philippines called for bids in April for 100,000 tons, white rice, special first grade, 35-percent broken.

THAILAND'S EXPORTS OF MILLED RICE, 1961-63

Country of destination	Average 1956-60	1961	1962	1963[1]
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Europe:				
Belgium-Luxembourg	1,220	100	5,550	0
Denmark	10,541	4,979	14,508	23,268
Germany, West	3,173	0	3,510	101
Netherlands	39,517	12,245	32,125	5,965
United Kingdom	27,087	33,327	21,696	16,804
France	2,880	3,001	1,101	1
Other	585	3,101	11,846	1
Total	85,903	56,753	90,336	46,140
Asia:				
North Borneo	51,081	56,212	54,205	30,770
Ceylon	10,708	62,477	44,986	36,485
Hong Kong	178,558	194,732	220,232	190,622
Indonesia	147,505	376,066	266,177	347,815
Japan	109,277	50,481	66,907	94,193
Laos	6,499	14,683	28,585	(2)
Malaya	180,117	191,835	149,815	192,837
Singapore	251,042	195,324	175,888	177,134
Philippines, Republic of	36,711	140,831	356	71,301
Pakistan	34,227	107	13	62
Korea, South	8,521	1,000	42	10,268
Taiwan	4,833	75,066	1	2,115
Lebanon	688	850	740	905
Aden	19,139	13,132	22,900	26,649
Saudi Arabia	60,145	58,299	70,512	67,549
Iraq	3,498	16,460	2,300	0
Kuwait	4,289	3,170	3,310	0
Other	11,945	5,848	14,249	41,523
Total	1,118,783	1,456,573	1,121,218	1,290,308
Oceania	12,061	11,886	8,013	3,232
Africa:				
Mauritius	6,059	10,965	4,220	5,911
South Africa, Republic of	8,103	7,911	5,227	3,552
West Africa	2,752	22,894	19,030	200
Kenya	7,933	1,140	2,355	954
French Somaliland	1,149	2,287	3,483	2,377
British Territory in Africa, n.e.c	2,877	285	870	0
British Somaliland	75	0	100	3,475
Other	9,320	4,531	29,331	22,597
Total	38,268	50,013	64,616	39,066
Other countries	4,352	13,021	10	2
World total	1,258,467	1,588,246	1,284,193	1,378,748

[1] Preliminary. [2] Not available. Annual Statement of the Foreign Trade and Navigation.

Argentina's Honey Production Up

Argentine honey production in the season just recently ended was substantially higher than had been anticipated. Total outturn amounted to about 60 million pounds, compared with earlier expectations of about 45 million—the usual output in the past several years. Total exports from current production may equal or exceed 45 million pounds.

The price for Argentina's honey, c.i.f. European ports, now amounts to about US$295 per short ton.

Guatemala Continues Duty on Imported Corn Bags

A Guatemalan Executive Order of April 10, 1964, exempting imports of certain grades of yellow corn from import duties under stated conditions, has been amended. The order now states that although bagged corn may be imported duty-free, the exemption does not apply to the bags used, if they are made from cotton fiber, hemp, jute, or other vegetable fibers which have uses other than as bagging for corn.

The purpose of this ruling is to protect the domestic bag industry. An import duty of 75 cents per gross kilogram (2.2 lb.) plus 10 percent ad valorem is charged on bags of jute, henequen, or other such vegetable fibers. On other bags of nonspecified vegetable fibers, the duty is $1.00 per gross kilogram plus 10 percent ad valorem. Importation of used bags or sacks of vegetable fibers is prohibited.

In Guatemala, domestically produced Standard 1½-pound new kenaf bags (100-lb. capacity) sell for 55 cents each in lots of 100,000, and 2-pound bags sell for 63 cents.

Malagasy Exports of Spices Smaller

Exports of vanilla beans from the Malagasy Republic during 1963 totaled 292 metric tons, less than half the amount (640 tons) shipped a year earlier. Shipments of cloves and black pepper also declined sharply, from 4,491 tons to 2,056 and from 1,069 to 902, respectively. The Malagasy Republic is the world's largest exporter of vanilla and the second largest exporter of cloves.

U.S. Sunflowerseed Imports Down

Sunflowerseed imports into the United States during calendar 1963, at 7,684 short tons, declined by nearly one-fourth from the high level of 1962. Canada, whose production has shown marked gains in recent years, continued to be the major source. However, imports from the Republic of South Africa were nearly double those in 1962. Sunflowerseed in the United States is used largely for bird food.

U.S. SUNFLOWERSEED IMPORTS, 1958-63

Country of origin	1958	1959	1960	1961	1962[1]	1963[1]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Canada	3,340	3,174	3,187	4,992	7,382	4,656
British East Africa	653	775	112	279	760	378
Greece	131	278	65	63	437	—
Hungary	321	245	77	25	—	—
Mozambique	—	235	475	—	571	361
South Africa	412	463	339	525	831	1,648
Others	149	20	15	—	38	641
Total	5,006	5,190	4,270	5,884	10,019	7,684

[1] Preliminary.

U.S. Bureau of Census.

Uruguayan Oilseed Production To Decline

In Uruguay 1963-64 oilseed production, largely sunflowerseed and flaxseed, will decline about 30 percent from last year to about the 1960-61 level. The decline reflects both reduced acreage and lower yields due to unfavorable weather. However, continued government emphasis on increased oilseed production is expected to spur an increase in plantings in 1964-65.

The sunflowerseed crop now being harvested (February-May 1964) was reduced by heavy rains during the planting period (July-November 1963), which cut planted acreage by 17 percent. During the December-January period, dry weather reduced the size of the plants and flowers. In February heavy rains and black rot caused further damage, thus lowering yields by nearly one-fifth.

Flaxseed harvested during December-February 1963-64 declined more than one-fourth from the comparable 3 months in 1962-63 largely because of a decline in sown area. This reflected heavy rains during the planting season (October-November). Hail damage during the growing season also reduced yields. No exports of flaxseed, as such, are expected in 1964 since quantities not needed for domestic consumption probably will be crushed and exported as oil. This expectation is based on the government decree of August 8, 1963, which places a lower export duty on linseed oil than on the seed as such.

Production in 1964 of both sunflowerseed and linseed vegetable oils and cakes and meals will decline by roughly one-third as a result of reduced domestic supplies of seed for crushing. Consequently, exports of vegetable oils and cakes and meals in 1964 will probably drop sharply from the relatively high levels in 1963.

Imports, primarily small quantities of vegetable oil, are expected to continue at about the 1963 level, since reduced domestic production is expected to result in decreased consumption rather than increased imports.

OILSEEDS, VEGETABLE OILS, CAKES AND MEALS: URUGUAY'S PRODUCTION AND EXPORTS

Item	Production			Exports	
	1962	1963	1964[1]	1962	1963
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Oilseeds:					
Cottonseed	0.9	1.5	1.6	—	—
Peanut	8.6	7.8	5.1	—	—
Sunflowerseed	87.9	96.1	64.4	—	—
Olives	1.0	1.0	1.0	—	—
Flaxseed	105.6	93.1	68.4	31.0	—
Total	204.0	199.5	140.5	31.0	—
Vegetable oils:					
Cottonseed	.1	.1	.1	—	—
Peanut	2.5	2.2	1.3	—	1.0
Sunflowerseed	21.0	21.8	14.5	—	3.0
Olive	.1	.2	.2	—	—
Linseed	22.0	35.3	23.8	18.0	36.6
Total	45.7	59.6	39.9	18.0	40.6
Cakes and meals:					
Peanut	3.0	2.7	1.6	1.3	1.6
Sunflower	30.2	31.3	20.8	24.8	25.5
Linseed	35.2	47.0	34.5	26.2	47.8
Total	68.4	81.0	56.9	52.3	74.9

[1] Forecast. [2] Production refers to crop harvested during February-May of the year indicated except for flaxseed, which is harvested principally during November-December of the preceding year.

Antarctic Output of Whale Oil Down

The production of whale (baleen) oil in the 1963-64 Antarctic pelagic whaling season is provisionally estimated at 193,307 short tons—20 percent, or 49,082 tons, lower than the 242,389 produced in 1962-63. The season ran from December 12, 1963, to April 7, 1964.

Individual country results, with the previous season's results in parentheses, were as follows: Norway, 37,726 tons (34,636); the United Kingdom, none (12,535); Japan, 105,133 (124,865); the USSR, 43,078 (58,563); and the Netherlands, 7,370 (11,790). The 1963-64 figures for the USSR and the Netherlands are estimated on the basis of total catch in blue whale units and on the assumption that the average yield per blue whale unit remained unchanged from last season.

All countries except Norway registered a decline from last season. (In that season, however, one Norwegian factory ship was damaged, and after hunting about 50 days had to cease operation.) The United Kingdom's whaling ceased with the sale of its sole factory ship to Japan in 1963.

The two Antarctic land stations on South Georgia—

Grytviken and Leith Harbour—which were inactive the previous season, were operated this season by Japan. Production of baleen oil there will probably be between 8,000 and 10,000 tons, partly offsetting the decline in the output of the factory ships.

First Argentine Tung Crop Estimate

The Argentine Department of Agriculture's first estimate of the 1963-64 tung nut crop in Argentina is 118,400 short tons—14 percent below the revised 1962-63 estimate of 137,800 tons. This new 1962-63 estimate is significantly above the 119,200 tons previously reported—the second official estimate (*Foreign Agriculture*, July 1, 1963).

The 1963-64 nut crop, now being harvested (March through May), and to be crushed between August 1, 1964, and July 31, 1965, is largely for export as oil. The oil outturn from the current nut crop is unofficially estimated at about 17,800 tons (based on an assumed extraction rate of 15 percent), compared with reported oil production of 19,900 tons in the preceding year.

ARGENTINE PRODUCTION OF TUNG NUTS AND TUNG OIL

Year	Tung nut production	Oil outturn[1]	Indicated extraction rate
	1,000 short tons	*1,000 short tons*	*Percent*
1960-61	90.4	—	—
1961-62	120.2	13.6	15.0
1962-63	[2]137.8	17.4	14.5
1963-64	[3]118.4	19.9	14.4
1964-65	—	[4]17.8	[5]15.0

[1] Year beginning Aug. 1; outturn from nuts produced in preceding year. [2] Revised. [3] First official estimate. [4] Unofficial forecast. [5] Assumed.

Western Samoan Copra Exports Rise

Exports of copra from Western Samoa in 1963 totaled 14,997 long tons, compared with 12,805 in 1962. Increased copra production was attributed to the higher local buying price based on $139.50 per ton at the end of the year.

All of the copra produced in Western Samoa is sold through and marketed by the Copra Board. Of total output, 85 percent is provided by growers with small acreages and 15 percent from plantations. Over 90 percent of the copra output is of first-grade quality.

The bulk of the Samoan copra is sold under contract to crushers in the United Kingdom and New Zealand, while the remainder is sold on the open market. At the end of 1963, however, the Copra Board did not renew its contract with the U.K. crusher, and thus the bulk of the 1964 copra output will be sold on the open market.

The joint United Nations Special Fund and South Pacific Commission project to eradicate the coconut pest, *Oryctes rhinoceros*, and related insects from the South Pacific, will be based on Western Samoa. The project is due to commence this year.

Costa Rica Produces More Palm Oil

Production of palm oil in Costa Rica during 1963, as reported by the United Fruit Company, totaled 9,002 short tons compared with an estimated 5,850 in 1962. This is an increase of 54 percent. The United Fruit Company, the only major producer, continued to expand palm oil plantings, with a reported total planted area of 14,171 acres in 1963, of which 10,417 were harvested. Palm kernel oil production also increased to 1,175 tons from 650 in 1962.

It is anticipated that no major imports of palm oil will be required in the future since production has approached domestic requirements; however, output of palm oil is expected to be lower in 1964 owing to drought in the first 4 months of this year.

Imports of crude palm oil totaled 2,645 tons in 1962 and 1,125 in 1963. The imports recorded for 1963 actually arrived in December of 1962 but were not recorded until later. Two tons of refined palm oil were imported in 1962 and none in 1963. There were 391 tons of palm kernel oil exported in 1963.

Denmark's Oilseed, Oil, and Meal Situation

In 1963 Denmark imported 494,200 short tons of oilseeds, or virtually as much as in 1962. The level of crush, determined chiefly by imports, increased slightly to about that in 1960. Soybeans, all from the United States, accounted for more than 80 percent of the total.

A sharp drop in domestic production (largely rapeseed) reflected relatively unfavorable prices. Exports of rapeseed and mustardseed significantly exceeded production, thus reducing stocks, which on January 1, 1963, were at a high level.

DENMARK: OILSEEDS, SUPPLY AND DISTRIBUTION, 1960-63

Item	1960	1961	1962	1963[1]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
SUPPLY				
Stocks, January 1	35.3	30.1	46.1	89.8
Production:				
Rapeseed	14.1	29.8	57.4	26.2
Mustardseed	14.9	18.3	17.7	7.0
Flaxseed	1.4	1.8	0.7	0.5
Others	0.5	0.3	0.1	—
Total	30.9	50.2	75.9	33.7
Imports:				
Peanuts	2.6	3.1	4.4	4.5
Soybeans	403.2	332.8	412.5	408.3
Sesameseed	2.4	0.9	2.2	1.8
Copra	47.9	46.7	39.9	42.2
Palm kernels	18.3	12.8	17.2	18.0
Flaxseed	6.0	4.5	3.7	4.7
Others	6.1	5.1	14.4	13.7
Total	486.5	405.9	494.3	494.2
Total supply	552.7	486.2	616.3	617.7
DISTRIBUTION				
Exports:				
Rapeseed	13.2	30.7	27.7	47.7
Mustardseed	10.4	18.5	10.0	8.7
Others	0.6	0.5	0.5	0.5
Total	24.2	49.8	38.2	56.9
Human consumption	1.4	1.5	1.6	1.6
Crushing	489.7	382.4	481.9	490.3
Feed, seed, and waste	7.3	6.5	4.8	5.4
Stocks, December 31	30.1	46.1	89.8	63.5
Total distribution	552.7	486.2	616.3	617.7

[1] Preliminary.

Production of edible unrefined vegetable oils in 1963, at 113,800 tons, reflects an increase of 7 percent from 1962, chiefly as a result of expanded crushing of copra. Crushings of soybeans, containing a much lower percentage of oil, declined slightly. Most of the gain in oil production went into increased exports. Danish exports of soybean oil in 1963, totaling 48,300 tons, moved largely to West Germany, the Netherlands, and Sweden.

DENMARK: CAKES AND MEALS, SUPPLY AND DISTRIBUTION, 1960-63

Item	1960	1961	1962	1963 [1]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
SUPPLY				
Stocks, January 1	119.9	105.0	90.4	87.2
Production:				
Soybean cake and meal	312.9	258.9	310.2	308.6
Copra cake and meal	16.6	16.2	12.6	12.9
Palm kernel cake and meal	9.1	6.8	8.5	10.5
Other oilcake and meal	6.5	7.4	10.7	11.2
Fish meal	55.7	62.9	102.6	104.7
Total	400.8	352.2	444.6	447.9
Imports:				
Cottonseed cake and meal	343.6	325.1	353.9	398.3
Peanut cake and meal	32.3	62.6	61.1	80.7
Soybean cake and meal	176.3	160.7	178.4	183.0
Sunflower cake and meal	117.4	119.4	102.8	62.3
Coconut cake and meal	50.3	61.2	43.7	58.1
Other oilcake and meal	69.2	49.8	38.1	43.0
Fish meal	20.8	30.5	17.1	13.6
Total	809.9	809.3	795.1	839.0
Total supply	1,330.6	1,266.5	1,330.1	1,374.1
DISTRIBUTION				
Exports:				
Cottonseed cake and meal	2.4	2.4	7.2	8.6
Soybean cake and meal	85.9	71.9	97.1	102.6
Copra cake and meal	8.8	14.1	18.0	13.9
Palm kernel cake and meal	7.2	7.6	10.0	5.5
Other oilcake and meal	4.8	6.1	3.9	9.3
Fish meal	35.1	43.5	62.3	66.2
Total	144.2	145.6	198.5	206.1
Consumption	1,081.4	1,030.5	1,044.4	1,055.3
Stocks, December 31	105.0	90.4	87.2	112.7
Total distribution	1,330.6	1,266.5	1,330.1	1,374.1

[1] Preliminary.

Although production of cakes and meals increased slightly because of increases in copra crush and fish reduction, imports rose by about 44,000 tons to 839,000. Of the total, about 155,800 tons came from the United States. Cottonseed and soybean cakes and meals accounted for the bulk of these imports. Imports of sunflowerseed cake and meal, largely from Argentina, declined sharply.

Most of the increase in the overall supply of cakes and meals in 1963 was retained as stocks, which on December 31, 1963, exceeded those for comparable dates in recent years. Danish consumption of cakes and meals in 1963, at 1.06 million tons, also increased somewhat, as a result of increased utilization for cattle and swine. Exports, at over 206,000 tons, gaining by a lesser quantity, showed a larger relative gain. Danish soybean meal moved largely to Sweden; fish meal, largely to the United Kingdom, Poland, and Switzerland.

Portuguese Edible Oil Outturn Increases

Portugal's outturn of edible olive oil in the 1963-64 marketing year is officially estimated at 92,300 short tons. This is 7,700 tons below the December estimate and more than one-third above the 1962-63 estimate (See *World Agricultural Production and Trade—Statistical Report*, December 1963).

Production of peanut oil—Portugal's second major edible vegetable oil, all produced from imported nuts—rose sharply in 1963 and accounted for an increased proportion of domestic utilization. The overall increase in Portugal's utilization of edible vegetable oils is accounted for largely by a significant decline in the production and utilization of animal fats.

Olive oil exports declined sharply to about 6,100 tons in 1963 from the high level of the previous year. Exports in 1964 are expected to decline further, reflecting the 3,300-ton export quota set by the Olive Oil Board. The quota applies to olive oil in 1-liter tins, however; additional permits for exports in larger containers could be issued if market availabilities permit. No olive oil has been imported since 1960 because production has met requirements.

PORTUGAL: EDIBLE VEGETABLE OIL SUPPLY AND DISTRIBUTION, 1959-63

Item and commodity	1959	1960	1961	1962	1963
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Olive oil: [1]					
Stocks, November 1	—	17.6	16.0	34.7	4.4
Production	101.0	103.8	125.4	67.7	92.3
Domestic consumption [2]	91.5	100.0	88.2	91.4	88.4
Exports	4.8	5.5	18.4	6.6	3.9
Peanut oil: [3]					
Stocks, January 1	5.1	1.1	6.0	8.7	8.5
Production [4]	12.7	19.1	17.7	11.4	30.0
Imports	1.8	4.9	2.5	0.2	2.5
Domestic consumption [2]	16.0	19.1	16.6	11.7	32.8
Exports	2.4	(5)	0.7	0.1	0.6

[1] Marketing year beginning Nov. 1. [2] Includes quantities used by fish-canning industry. [3] Calendar year. [4] Includes that crushed from imported kernels. [5] Less than 50 tons.

PORTUGUESE OLIVE OIL EXPORTS,[1] 1959-63

Country of destination	1959	1960	1961	1962 [2]	1963 [2]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
United States	61	51	80	217	67
Brazil	288	565	369	1,846	568
Venezuela	159	105	181	166	143
Italy	—	—	—	11,467	439
Angola	2,792	2,832	3,009	3,370	3,272
Cape Verde Islands	65	107	91	—	—
Mozambique	909	1,099	1,291	1,207	1,222
Portuguese Guinea	49	46	47	272	270
Other Portuguese	137	136	165		
Others	100	122	134	133	149
Total	4,560	5,063	5,367	18,678	6,130

[1] Excludes foots oil. [2] Preliminary.

Compiled from official and other sources.

Record Solomon Islands Copra Output

Copra production in the British Solomon Islands Protectorate during 1963 amounted to 25,199 long tons, 1,500 tons above 1962 and 1,300 tons above the 1961 record.

All of the copra produced in the Protectorate, except that produced from plantations owned by a large United Kingdom firm, is sold through the Copra Board, which pays a price differential according to grade. For export all copra must contain less than 6.5 percent moisture, and the grading into first, second and third qualities is based on color, cleanliness, condition, and odor.

The bulk of the output is sold under contract to crushers in the United Kingdom and Australia, while the balance is sold on the open market. Japan, which signed a contract for 3,000 tons in 1963, reportedly will take 5,000 in 1964.

Prices per long ton in January, f.o.b. Protectorate ports, were as follows: 1st grade, $135.00; 2d grade, $131.62; and 3d grade, $126.00.

Japan's Exports of Marine Oils Rise

Exports of marine oils from Japan during 1963 totaled 172,817 metric tons, an increase of 28 percent from 1962's.

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These represented 92 percent of the total exports of all fats and oils from Japan in 1963 compared with 86 percent in 1962 and 76 percent in 1961.

JAPAN'S EXPORTS OF MARINE OILS

Country	1961	1962	1963
	Metric tons	*Metric tons*	*Metric tons*
Fish liver oils	2,232	2,209	1,686
Fish body oils	193	670	114
Other marine oils	—	37	31
Total	2,425	2,916	1,831
Sperm oil:			
Germany, West	—	8,407	2,302
Netherlands	—	4,573	39,550
United Kingdom	—	9,779	3,853
United States	9,823	14,381	7,532
Other	506	3,358	323
Total	10,329	40,498	53,560
Baleen oil:			
France	3,556	—	13,564
Germany, West	6,096	16,325	15,685
Netherlands	74,534	44,644	54,690
United Kingdom	9,148	24,872	27,880
Other	7,738	5,598	5,607
Total	101,072	91,439	117,426
Grand total	113,826	134,853	172,817

Sweden Exports Less Butter, More Cheese

Sweden's 1963 exports of butter were down 14 million pounds from those in 1962. Smaller sales to the principal markets (the United Kingdom, West Germany, and Italy) largely accounted for this decline.

Cheese shipments increased 21 percent over the earlier year to 15 million pounds. Among the purchasers were Italy, 7 million pounds; West Germany, 5 million; East Germany, 2 million; and the United States, 486,000.

Exports of dried milk rose from 4 million pounds to 23 million, about 85 percent of which was nonfat dry milk. Principal markets were Denmark, 7 million pounds; the Netherlands, 6 million; West Germany, 3 million; the United Kingdom and Spain, 2 million each; and Belgium, 1 million.

Sweden imported 18 million pounds of cheese in 1963, practically the same quantity as a year earlier. Denmark supplied 9 million pounds, the Netherlands 4 million, and Finland, Norway, and Switzerland most of the remainder.

Australia Promoting Dairy Products

The Australian Dairy Board is continuing its efforts to develop markets for Australia's dairy products. Negotiations are now underway for the construction of a small recombining plant in Lima, Peru. Similar projects are reported to be either in operation or close to completion in Bangkok, Manila, and Singapore.

The Dairy Board is also planning to set up a permanent secretariat in Japan. During the past 3 years, not only has Australia become the largest supplier of cheese to Japan, but Japan has become the most important market for Australian cheese after the United Kingdom.

Canada Uses More Cotton in March

Canadian cotton consumption, indicated by the number of bales opened by mills, was 36,871 bales (480 lb. net) in March—compared with 37,375 in February and 33,152 in March of 1963.

Consumption during the first 8 months (August-March) of the current season amounted to 298,000 bales. This is 14 percent above the 262,000 bales opened in the same period of 1962-63, and 19 percent above average consumption of 250,000 bales in the first 8 months of the past 5 seasons.

NOTE: Issue of April 20, p. 4, section on Israel, last paragraph should read:

To irrigate the Negev, Israel has committed itself to putting into use its nearly completed water carrier system extending from the northern shore of Lake Tiberias southwest across the country to join two existing Yarkon River-Negev pipelines. The maximum planned flow in the Tiberias-Negev conduit, 320 million cubic meters a year, would be within the total amount of water that, under the 1955 Johnston Plan, would accrue to Israel after equitable Arab claims had been deducted. There was in 1955 clear understanding that this Israel share could be used legitimately either in or out of the basin. While the political leadership of the Arab States concerned deferred further consideration of the Plan in October 1955, the Plan did have the unanimous approval of the technical representatives of these states and of Israel.